

Message Text

CONFIDENTIAL

PAGE 01 PARIS 30905 261941Z

17

ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FEA-01 PA-01

PRS-01 /104 W

----- 047527

R 261917Z NOV 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 5581

INFO AMEMBASSY ALGIERS

C O N F I D E N T I A L PARIS 30905

E.O. 11652: GDS

TAGS: ENRG ETRD PFOR FR AG US

SUBJECT: FRENCH ALGERIAN TRADE, OIL RELATIONS

REF: ALGIERS 3357, 3392

1. FRENCH MFA OFFICIALS WITH WHOM WE HAVE SPOKEN IN LAST WEEK HAVE DOWNPLAYED IMPORTANCE TO FRANCO-ALGERIAN RELATIONS OF RECENT ALGERIAN ACTIONS (SELECTION OF PAL COLOR TV SYSTEM OVER SECAM, AND ABRUPT CLOSING OFF OF ALMOST-CONCLUDED SONATRACH-ELF/ERAP OIL SALE TO REPLACE OLD ASSOCIATION CONTRACT). IN SUPPORT OF THEIR POINT THAT FRENCH-ALGERIAN RELATIONS REMAIN BASICALLY GOOD, THEY HAVE POINTED TO SUCCESSFUL OF FRENCH EXPORT SALES (VALUE OF CONTRACTS SIGNED IN FIRST 9 MONTHS OF 1975 BEING ALMOST DOUBLE THAT OF SAME PERIOD 1974.) THEY CLAIM THAT ALGERIANS HAVE BEEN FOLLOWING TACTIC OF APPLYING PRESSURE ON GOF THROUGH PERIODICALLY DEFLATING ONE OR ANOTHER FRENCH ASPIRATION, VIZ. LOSS OF TELEPHONE CONTRACT TO SPANISH COMPANY, RUPTURE OF ERAP NEGOTIATIONS, SECAM; PURPOSE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 30905 261941Z

OF THIS ALGERIAN PRESSURE IS TO OBTAIN BETTER CREDIT

TERMS AND IMPROVEMENT IN BILATERAL TRADE BALANCE (WHICH NOW RUNNING THREE TO ONE IN FRANCE'S FAVOR). QUAI DEPUTY DIRECTOR FOR NORTH AFRICA D'ALBIS ALSO NOTED THAT TIMING OF SECAM ANNOUNCEMENT, SEVERAL MONTHS AFTER FRENCH "KNEW" PAL SYSTEM WOULD BE CHOSEN, WAS NOT UNCONNECTED WITH ALGERIAN UNHAPPINESS OVER FRENCH POSITION ON SAHARA. COMMENT: WE BELIEVE MFA OFFICIALS ARE MORE WORRIED THAN THEY ADMIT AND THAT THEY PARTICULARLY WISH TO AVOID A QUARREL WITH ALGERIA AS THE NORTH-SOUTH DIALOGUE GETS UNDERWAY (SIC?). WE DOUBT, HOWEVER, IF THE MFA WILL BE ANY MORE SUCCESSFUL THAN IN THE PAST IN ATTEMPTING TO PERSUADE THE REST OF THE GOF, LET ALONE FRENCH COMPANIES, THAT ALGERIA SHOULD GET PREFERENTIAL TREATMENT. IN COMPENSATION, THE MFA MAY BE EVEN MORE THAN USUALLY INCLINED OVER THE COMING MONTHS TO GIVE PARTICULAR CONSIDERATION TO ALGERIAN DESIRES ON MULTILATERAL ISSUES. END SUMMARY.

2. NEW CFP-SONATRACH AGREEMENT INTERESTING IN THAT CFP WILL NOT ONLY TAKE OVER ERAP'S REMAINING MINORITY CONCESSIONNAIRE RIGHTS IN HASSI MESSAOUD, HAOUD BERKAOUI AND STAH FIELDS, BUT THAT IN LATTER (WHICH IS NEW FIELD UNDER DEVELOPMENT) SONATRACH WILL ACTUALLY CEDE AN ADDITIONAL 14 PERCENT OF ITS OWN NATIONALIZED HOLDING TO BRING CFP SHARE UP TO 49 PERCENT. CFP SOURCES POINT OUT WITH SOME SELF-SATISFACTION THAT THIS IS FIRST EFFECTIVE DENATIONALIZATION (EVEN IF LIMITED) BY OPEC COUNTRY, AND POINTS OUT CONTINUED NEED BY ALGERIANS FOR CAPITAL, TECHNICAL SKILLS, AND MARKETING ABILITIES OF INTERNATIONALS. CFP WILL, WITH TAKEOVER OF ERAP INTERESTS, HAVE CONCESSIONARY RIGHT TO THE 10 MILLION TONS OF ALGERIAN PRODUCTION WHICH IT EXPECTS TO HAVE NEXT YEAR; LIFTINGS OF THIS OIL WILL THUS NOT BE SUBJECT TO NEW ALGERIAN SALES (NO RESALE) POLICY. CEP WILL THEREFORE CONTINUE TO HAVE CONSIDERABLE QUANTITIES OF CRUDE AVAILABLE FOR RESALE TO US OR OTHER CUSTOMERS, EVEN IF IT MAKES AVAILABLE TO ERAP THE APPROXIMATELY 2 MILLION TONS/YEAR THAT COMPANY NEEDS OF ALGERIAN-TYPE CRUDES (WE BELIEVE THE GOF WILL EVENTUALLY REQUIRE CFP TO DO SO IN AN EFFORT TO KEEP FRENCH IMPORTS

CONFIDENTIAL

PAGE 03 PARIS 30905 261941Z

FROM ALGERIA FROM DROPPING PRECIPITOUSLY).
RUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, SALES, FOREIGN RELATIONS, CONTRACTS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS30905
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750413-0480
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975117/aaaaafoa.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 ALGIERS 3357
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 29 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 MAY 2003 by ShawDG>; APPROVED <26 NOV 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRENCH ALGERIAN TRADE, OIL RELATIONS
TAGS: ENRG, ETRD, PFOR, FR, AG, US, ELF-ERAP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006